

**Organic Advisory Board Meeting
January 31, 2006
Olympia, WA**

Board Members Present: Bob Pearson (R&K Foods); Dan Dufault (Emmanual Enterprises); Harold Ostenson (Double O Organics/ Stemilt Growers); Phil Unterschuetz (IFM); Steve Hallstrom (Tolt Gardens); Andrea Pipitone (Pipitone Farm); David Granatstein (WSU); Aaron Avila (G S Long); Michele Catalano (Consumer Representative)

Board Members Absent: Jennifer Hall (WSU/ Chef and NOSB Consumer Representative); Marilyn Lynn (Rama Farm); Michael Blakely (Growing Things); Orlin Knutson (Tree Fruit Producer); Dain Craver (Craver Organic); Roger Wechsler??

WSDA Staff: Miles McEvoy, Les Eklund, Brenda Book, Jerry Buendel

Recording: Brenda Book

Introductions:

(Who you are, Best success in 05, What is coming up for 06, How did you get involved in organics?)

Announcements: None

Public Comment: None

WSDA Organic Food Program Strategic Plan:

Miles provided an overview of the meeting purpose and goals along with an overview of the Strategic Plan (Mission, Quality Policy, Goals, Objectives, Vision Statement, 2004-2005 Accomplishments and Goals)

WSDA Organic Program Update:

- **WACO report** – WSDA, CCOF, QAI, and OTCO met in Oregon on January 17th and January 18th with the goal to ensure consistency regarding standards interpretation and certification. Topics included European Standards, NOP Crop issues, Processing issues, Livestock issues. Specific discussions to note:
 - **Livestock** - Under the 100% conversion, can a treated animal be transitioned back into organic status after one year? QAI and CCOF don't allow conventional management of any animals on farm if a dairy has converted using 100% transition. QAI would allow an animal to be treated if it was ill, but would not allow for the animal to be fed conventional feed or otherwise managed with conventional materials. OTCO and WSDA would allow any animals to be managed conventionally until 1 year prior to the production of milk. There is no consensus regarding conventional/organic management of non-transitioning animals during the 100% transition of dairy animals.
 - **Livestock** – Confinement of poultry due to avian influenza threat is being allowed by CCOF and QAI. QAI requires confinement logs that detail why the birds were confined, times, temp, etc. CCOF allows for confinement as long as the operator is able to provide justification. This issue has not come up for WSDA at this time, but may come up in the future. Miles - due to the fact that WSDA is a state agency, if the Department requires confinement, OFP would have to ensure consistency with these policies.

NOTE - Jennifer Hall will be on the NOSB Livestock Committee.

- **European Standards** – WACO certifiers appear to agree on the list of prohibited materials, but they differ on the sanctions for using the material. Currently WSDA and

QAI are implementing a 36-month transition, although WSDA has not required a 36-month verification for new EOVP varieties. CCOF, on the other hand, is only requiring a 12-month transition for use of a prohibited material.

TASKS – Miles will forward the WACO sanctions to Harold Ostenson for review. Harold will then put together a motion regarding whether the OFP should follow the same sanctions as other certifiers.

- **Organic Planting Stock** – WSDA interpretation has changed. Organic crops can be harvested the same year from non-organic planting stock (perennials). However, the planting stock itself may not be sold as “organic” until it has been grown for 1 year on an organic site.
- **Mushroom Standards** – Other certifiers are using the NOP standards to certify mushroom operations (since NOP has stated that mushrooms are part of the scope). WSDA utilizes a State Standard for organic mushrooms since there are no specific requirements in the NOP regarding organic mushroom production.

TASK – Upon completion, January WACO Meeting Notes will be forwarded to OAB.

- **Compliance update**
 - Les summarized the 2005 compliance issues (as presented at WA Horticulture Conference in Wenatchee) and summarized the current status of Grant County mint compliance issue.
 - Discussion occurred regarding compliance procedures under the current scenario of being an accredited agency under the NOP and being a State Organic Program under the NOP. *A further discussion about becoming a State Organic Program will occur with Strategic Planning.*
- **Rule changes – Handler deadline and State Organic Program**
 - A proposal to change the Handler renewal date and fee change will be put together next week. The hearing would take place in May.
 - No further action has happened regarding the State Organic Program.
- **OFPA changes**
 - The Harvey court case has essentially been overturned after the OTA successfully introduced a rider that would change the OFPA. However rulemaking is still underway by USDA.
- **Grant opportunities** – Miles summarized the grants being worked on by OFP – Risk Management, FISMIP.
- **Nu-film** – The material Nu Film has historically been approved by OMRI, WSDA, and other certifiers for many years for organic crop production (tree fruit). In 2004 the materials ingredients were reclassified by EPA and were no longer considered compliant by OMRI and WSDA and were therefore removed from approval lists. However, during the WACO meeting in January it was discovered that the Bob Pooler issued a letter to the manufacturers of Nu Film in October 2005, and cc'ed to all accredited agencies, that Nu Film remained compliant under the NOP even after the reclassification. WACO certifiers and OMRI will be allowing Nu Film based on the NOP letter from Bob Pooler since they are the ultimate authority. However, no WACO certifier has ever received a copy of this letter.
 - Miles will be sending an email/complaint to Mark Bradley regarding this miscommunication from NOP.
 - A letter has been sent to all WSDA certified operations that Nu-film is approved based on a letter from Bob Pooler at the National Organic Program.
- **Chlorine use under the National Organic Standards** –

- **Chlorine as a sanitizer on equipment:** The use of chlorine substances to sanitize food contact equipment is allowed provided the operation ensures the substance does not contaminate an organic product (i.e. a potable water rinse is in place, the operation's procedures ensure the substance has fully evaporated, etc.) – Section 205.272.
- **Chlorine use as a post harvest sanitizer directly on raw organic ag products:** The use of chlorine substances as a post harvest sanitizer directly on raw organic products is allowed per Section 205.601, provided the waste water leaving the facility is maintained at 4ppm residual chlorine levels.
- **Chlorine use as a sanitizer directly on processed organic products:** Section 205.605 of the National Standards covers substances that can be used on or with a processed product (processed meaning the product has been cut, blanched, or somehow modified from its original form). 205.605 includes chlorine substances, but specifies that chlorine may be used specifically as a disinfectant for food contact surfaces only. In addition, 205.605 does not include any options for a sanitizer that can be used directly on products – leaving operations without an option to comply with both food safety requirements and organic standards.
- Historically, WSDA has required only those substances that are on 205.605 in direct contact with an organic *processed* food product. In addition, WSDA does not allow a *processed* product to be labeled as 100% if any processing aid, sanitizer, etc. comes in contact that is not a certified organic substance.
- In 2005 WSDA contacted other certifiers to determine if they are allowing chlorine use directly on processed organic products. QAI is allowing chlorine, CCOF indicated that they are following the 2003 NOSB recommendation and allowing the use of chlorine directly on a processed food product only if a rinse occurs. WSDA developed a draft chlorine interpretation that is in line with CCOF's approach and implemented it this year. To date, all operations have been able to comply with this requirement of a potable water rinse after the use of chlorine on a processed product (usually via spray bars). These operations would not be allowed to label the processed product 100% organic.

MOTION: Dan Dufault moves to accept OFP draft interpretation dated October 2005, which would allow use of chlorine on a processed product, but would require a potable water rinse (in line with 2003 NOSB recommendation).

Aaron Avila seconded.

Motion passed – unanimous.

- **Organic Research Update – *tabled until another meeting.***

Lunch

WSDA Organic Food Program 2005 Internal Audit:

- The 2005 Internal Audit was sent to all Organic Advisory Board members on January 24th.
- Miles summarized the findings of the Internal Audit via the Executive Summary.
- Discussion around findings and Internal Audit/Management Review process occurred.

TASK: OAB has requested an update to the internal audit corrective actions in 6 months.

MOTION: Phil Unterschuetz moved to accept the findings and stated corrective action of the Organic Food Program 2005 Internal Audit.

Dan Dufault seconded.

Motion passed – unanimous

WSDA Organic Food Program Budget:

Miles provided an overview of 2004/2005 fiscal budget (monthly expenses and revenue, etc.) in addition to status of current fiscal budget (2005/6). Some specifics that were discussed:

- In the current fiscal year, the OFP actual expenses exceed allotted expenses by 8% - currently the program is spending more than receiving.
- Administrative expenses, salary and benefits account for most of expenses.
- Trends in reported sales and number of operations from year to year.... Most producers in program report less than \$25,000 in sales, etc.
- Thorough details of budget can be seen in the handouts.
- Miles - Although staff constitutes a large part of the expenses, the program cannot afford to lose any staff compared to the workload.
- Grants have been looked at as a funding source, however they can require more work. Therefore, grants currently being looked at are some that would fund activities that would be done no matter what.
- A report of staff workload and tasks would help in figuring out where more revenue is needed (what fees could/should be raised).
- A rule change would be needed to revise the fee schedules.
- Due to annual staff raises, 80% of budget will increase each year. How can we ensure revenue can keep up with this yearly increase?
- New staff being brought on in 2005 to keep up with new applicants (dairies, etc.), however the resulting revenue from these new applicants is unknown at this time.
- What does the program receive from the increased administrative fee that occurred due to reorganization of Division?
- An overview of the WSDA (full Department) budget is on the website www.agr.wa.gov
- If WSDA became a State Organic Program - A rule change that required fees from certifiers could help in compliance costs.
- Long term – take a look at other models – how are other certifiers charging for certification?
- Short term – revising current fee schedules based on sales of organic products.
- Short term - A second discussion with the Director is needed regarding a State registration program proposal – similar to California – in which WSDA would charge a separate registration fee for certification agencies and operations producing organic products in the state. (This is different from the \$25 exempt operation registration fee discussed in 2005)
- A comprehensive look at fiscal situation is needed – including potential growth in sales/trends, a state registration proposal, look at staff time and incoming revenue.
- Look at Material Registration Program and potential fee increase.

MOTION: Harold Ostenson moves that the OFP Staff should begin working on proposals to increase revenue via revisions to the fee schedules by April 1 (these fee increases may include material registration, late fees, certification fees, etc).

Steve Hallstrom seconded.

Motion passed – unanimous

Michele moves to set a meeting soon after April 1 to discuss the proposals. *To be discussed at the end of meeting.*

TASK: A fee committee has been formed to ensure feedback is provided to OFP specifically around fee increase proposals. Committee members – Michele Catalano, Steve Hallstrom, Harold Ostenson, Dan Dufault.

TASK – Miles will resend the State Organic Program proposal from last year. The OAB (Michele) will relook at this and set a meeting with the WSDA Director to further discuss the option of the OFP becoming a State Organic Program that includes a registration fee proposal.

European Organic Program:

1. Issue: Parallel operations – EOVP organic gala apples and NOP organic gala apples on same operation.
2. Currently OFP allows an operation to have a gala apple that is organic and gala apples that are conventional. OFP (as part of EOVP requirements) does not allow a gala apple under the EOVP unless ALL gala apples are compliant with EOVP. See Producer EOVP Additional Requirements – Scope Section.
3. This requirement is specifically included due to the OFP's current limited ability to track these compliant and noncompliant varieties when signing off on export documentation.
4. This requirement is not part of the European Standards.

Motion: David moves that the Scope of the Producer EOVP Additional Requirements be revised to allow EOVP certified varieties and NOP certified varieties on the same operation.

Aaron Avila seconded

Motion passed – unanimous

TASKS - Instructions need to be provided to the handling operation about what kind of tracking and documentation is needed to ensure only compliant varieties are shipped. To be included in Certificate of Inspection/Export Document Instructions. Brenda will work with Harold to ensure these instructions are clear.

Organic Advisory Board Business:

- Approval of October minutes

Motion – Harold moves to accept the October 20, 2005 Organic Advisory Board meeting minutes as read.

Steve seconded.

Motion passed – unanimous

- New members and Current Members

- Michele suggests that there be a member from the dairy industry on the board – possibly someone from Oregon. Miles – Larry Hansen has expressed interest in the OAB. The nominating committee (Phil) will recontact Larry. Steve will also contact Jay Gordon (president of Washington Dairy Association) about possibly becoming a member.
- Large scale processors – vegetable, juice, coffee - are needed. Some suggestions are: Twin City Foods, National Frozen Foods, Milne, Lamb Weston. Brenda will work with Phil regarding contact names.
- Aaron Avila has been approached by Harold Austin (Zirkle Fruit) about being on the OAB. Aaron also has a contact with someone at Mercer. However, in order to round out diversity a fruit/vegetable processor, dairy, or coffee operation would be preferred.

TASK – OAB members will review contact list and send Brenda any updates or corrections. Michele will contact Orlin to be sure that he will not be on OAB. Michele will also contact Roger regarding whether he would like to remain on the OAB. Brenda will then send out a revised contact list.

Motion – Dan Dufault moves that Michele, Jennifer, and Orlin (if he chooses to) are re-appointed to the OAB for another term.

Bob seconded.

Motion passed – unanimous

- **Next meeting dates:**

Thursday, April 13th, 10am – 5pm. Yakima Tree Fruit Research Station (Wapato)

Tuesday, June 27th, 10am – 1pm. Phone Conference Call

Thursday, October 26th, 10am – 5pm. North Bend or Ellensburg (to be determined at a later date).

January, 2007 – Olympia meeting which will include EOVP review.

- **Future Agenda Items:**

1. WSDA Organic Food Program Strategic Planning (continued from morning):
 - Review of Organic Advisory Board Handbook
 - Mission and Role of the Organic Advisory Board
 - How the Organic Advisory Board can support OFP staff and certified operations
 - Discussion of organizational assignments that have been given to staff.
 - Overlap of Tilth Producers – and Small Farms with OAB.
2. Exemptions of restaurants and retail operations selling/using organic products.
3. Connection between Tilth and OFP. Tilth has decided to begin using “organic” in advertising and partnerships.
4. Steve – How are organic operations maintaining or approving soil fertility? How does the OFP evaluate and verify this?

5. Dan – Discussion of treated wood and sulfur burners.
6. Organic Research Update.

TASK – Send staff organizational assignments to OAB.

TASK – Provide non-certified OAB members with copies of 2006 BNML.

TASK – Miles will forward OAB the summary provided by David regarding Organic Research.

Adjourned – 5:10pm

Handouts:

- January 31, 2006 Agenda, Map, OAB Contact List
- WSDA Organic Food Program Strategic Plan – July 1, 2005 – June 30, 2007
- Organic Food Program Strategic Plan, 2005-07 Biennium – Accomplishments, Goals/Priorities
- CRS Report for Congress – Harvey v. Veneman and the National Organic Program: A Legal Analysis – November 8, 2005
- Chlorine Information (August 28, 2003 Memo, OFP Chlorine Draft Interpretation, NOSB Chlorine Recommendation April 2003)
- OFP 2005 Internal Audit Executive Summary and Findings
- PRO - OFP 004, Management Review Procedure - April 2003
- WSDA Organic Food Program Budget
- WSDA Organic Advisory Handbook – January 2004
- OAB Meeting Minutes – October 20, 2005
- EOVP Producer issues – January 31, 2006
- OAB EOVP Review - Agenda and Procedures – February 1, 2006

Summary of Passed Motions:

1. Dan Dufault moves to accept OFP draft interpretation dated October 2005, which would allow use of chlorine on a processed product, but would require a potable water rinse (in line with 2003 NOSB recommendation). Aaron Avila seconded. Motion passed – unanimous.
2. Phil Unterschuetz moved to accept the findings and stated corrective action of the Organic Food Program 2005 Internal Audit. Dan Dufault seconded. Motion passed – unanimous
3. Harold Ostenson moves that the OFP Staff should begin working on proposals to increase revenue via revisions to the fee schedules by April 1 (these fee increases may include material registration, late fees, certification fees, etc). Steve Hallstrom seconded. Motion passed – unanimous
4. David moves that the Scope of the Producer EOVP Additional Requirements be revised to allow EOVP certified varieties and NOP certified varieties on the same operation. Aaron Avila seconded. Motion passed – unanimous
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Summary of Tasks:

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2. Upon completion, January WACO Meeting Notes will be forwarded to OAB.
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8. Send staff organizational assignments to OAB.
9. Provide non-certified OAB members with copies of 2006 BNML.
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